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REDACTED –FOR PUBLIC INSPECTION

VIA ECFS

June 26, 2014

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: **REQUEST FOR CONFIDENTIAL TREATMENT** – *Connect America Fund*, WC Docket No. 10-90;  
*Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan included in FCC Form 481

Confidential Financial Information – Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Five Area Telephone Cooperative, Inc. (the Cooperative), Study Area Code 442071, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket Nos. 10-90 and 11-42. The Cooperative, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan is being made pursuant to section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC's November 16, 2012 *Protective Order* in WC Docket No. 10-90 *et al.* These attachments contain competitively sensitive data that Five Area Telephone Cooperative, Inc. maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Cooperative.

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#### **Five-Year Service Quality Improvement Plan**

Pursuant to section 0.459 of the Commission's rules and Exemption 4 of FOIA, Five Area Telephone Cooperative, Inc. requests that the text and data extracted from its five-year service quality improvement plan be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Cooperative keeps confidential. Public availability of this information would have a substantial negative impact on the Cooperative.

In accordance with section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan. Specifically, confidential treatment is sought for all information in the five-year plan related to the Cooperative's access line counts, existing broadband capabilities, and its network investment plans through 2019 that will improve service quality for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket Nos. 10-90 and 11-42 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a five-year service quality improvement plan, pursuant to 47 C.F.R. §§54.202(a)(1)(ii) and 54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan contains granular information on the Cooperative's access line counts and existing broadband capabilities as well as detailed plans for financial investments in its network through 2019 to improve service to subscribers. This is closely guarded, privileged information that the Cooperative does not make publicly available.

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- (4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider such as a larger cable company, who will typically seek to “cherry pick” the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

- (5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan would provide competitors with detailed, granular information regarding the Cooperative’s access line count, its existing broadband capabilities, and its strategic plans for network investments. This would give competitors invaluable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Cooperative.

- (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Cooperative has continually treated the extracted information in its five-year plan as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

- (7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan is not available to the public, and third party access is limited as described in (6) above.

- (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Cooperative requests that the extracted information be withheld from public inspection indefinitely. Although the information reflects the Cooperative’s service improvement plans for a five year period, it would provide a very useful baseline for competitors for several years beyond that period.

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- (9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

#### **Financial Annual Report**

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the Cooperative's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Five Area Telephone Cooperative, Inc. seeks confidential treatment of its financial annual report pursuant to the November 16, 2012 *Protective Order* in WC Docket No. 10-90, *et al.*<sup>1</sup> The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

Five Area Telephone Cooperative, Inc. is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing. Each page of the redacted filing and accompanying cover letter is marked "REDACTED – FOR PUBLIC INSPECTION."

Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481.

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<sup>1</sup> *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Protective Order, DA 12-1857 (rel. Nov. 16, 2012).

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This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,



Deb Morgan  
Authorized Representative for  
Five Area Telephone Cooperative, Inc.

DM/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau,  
Federal Communications Commission, (2 hardcopies of non-redacted submission)

Mr. Sandy Vandevender, Five Area Telephone Cooperative, Inc.

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	442071
<015> Study Area Name	FIVE AREA TEL. COOP. INC
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Patti Kent
<035> Contact Telephone Number: Number of the person identified in data line <030>	8062725533 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	pattik@fivearea.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 300px;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 300px;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile		<input type="checkbox"/>	<input type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">442071tx510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">442071tx610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> <div style="border: 1px solid black; padding: 2px;">442071tx1010.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

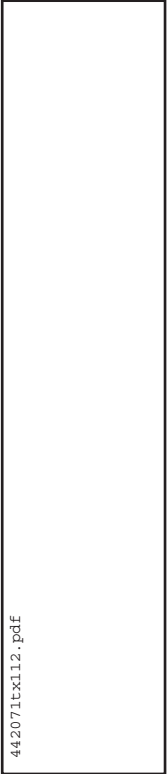
**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	
	Patti Kent	
<035>	Contact Telephone Number - Number of person identified in data line <030>	8062725533 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com
<110>	Has your company received its ETC certification from the FCC?	<input checked="" type="radio"/> (yes / no)
<111>	If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input type="radio"/> (yes / no)

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.



<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document

Please check these boxes below to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets
<114>	Report how much universal service (USF) support was received
<115>	How (USF) was used to improve service quality
<116>	How (USF) was used to improve service coverage
<117>	How (USF) was used to improve service capacity
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.

**(200) Service Outage Reporting (Voice)  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	8062725533 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

[illegible]





442071

FIVE AREA TEL. COOP. INC.

2015

Patti Kent

8062725533 ext.

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pattik@fivearea.com

<d4>

[illegible]



<b>(900) Tribal Lands Reporting Data Collection Form</b>		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	8062725533 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

<910>	Tribal Land(s) on which ETC Serves
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<920>	Tribal Government Engagement Obligation
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Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

(1100) No Terrestrial Backhaul Reporting

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	8062725533 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

☐

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

(1200) Terms and Condition for Lifeline Customers

Lifeline Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	8062725533 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

442071tx1210.pdf

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220>	Link to Public Website	HTTP
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"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	8062725533 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattike@fivearea.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting		
<2010>	2nd Year Certification {47 CFR § 54.313(b)(1)}	<input type="checkbox"/>
<2011>	3rd Year Certification {47 CFR § 54.313(b)(2)}	<input type="checkbox"/>
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}		
<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}		
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
Connect America Phase II Reporting {47 CFR § 54.313(e)}		
<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	

<2021>	Interim Progress Community Anchor Institutions	<div></div>
		Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
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<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	8062725533 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010)	Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(ii))	<div></div> <div>Name of Attached Document Listing Required Information</div>
(3011)	Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<div><input type="checkbox"/></div> <div></div>
(3012)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))	<div></div> <div>Name of Attached Document Listing Required Information</div>
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	<div><input type="radio"/></div> <div>(Yes/No)</div>
(3014)	If yes, does your company file the RUS annual report	<div><input type="radio"/></div> <div>(Yes/No)</div>
Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<div><input type="checkbox"/></div>
(3016)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<div><input type="checkbox"/></div>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	<div></div> <div>Name of Attached Document Listing Required Information</div>
(3018)	If the response is no on line 3014, Is your company audited?	<div><input type="radio"/></div> <div>(Yes/No)</div>
(3019)	If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications	<div><input checked="" type="checkbox"/></div> <div><input checked="" type="checkbox"/></div> <div><input checked="" type="checkbox"/></div>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<div><input checked="" type="checkbox"/></div>
(3021)	Management letter issued by the independent certified public accountant that performed the company's financial audit.	<div><input checked="" type="checkbox"/></div>
(3022)	If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,	<div><input type="checkbox"/></div>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<div><input type="checkbox"/></div>
(3024)	Underlying information subjected to an officer certification.	<div><input type="checkbox"/></div>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<div><input type="checkbox"/></div> <div>442071tx3026.pdf</div> <div>Name of Attached Document Listing Required Information</div>
(3026)	Attach the worksheet listing required information	



<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
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<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	442071
<015> Study Area Name	FIVE AREA TEL. COOP. INC
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Patti Kent
<035> Contact Telephone Number - Number of person identified in data line <030>	8062725533 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: FIVE AREA TEL. COOP. INC	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: 442071	Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: FIVE AREA TEL. COOP. INC	
Name of Authorized Agent or Employee of Agent: Deb Morgan	
Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE	Date: _____
Printed name of Authorized Agent or Employee of Agent: Deb Morgan	
Title or position of Authorized Agent or Employee of Agent: Manager of Business Compliance	
Telephone number of Authorized Agent or Employee of Agent: 5126527705 ext.	
Study Area Code of Reporting Carrier: 442071	Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments





**Line 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLANS**

Attached are the five-year and a ten-year service quality improvement plans for Five Area Telephone Cooperative, Inc. and West Plains Telecommunications, Inc. ("Five Area " or "West Plains") pursuant to 47 C.F.R. § 54.202(a)(1)(ii) that requires an eligible telecommunications carrier (ETC) to describe proposed improvements or upgrades to the ETC's network throughout its service area. Tables 1 and 2 attached are the combined 5-Year and 10-Year Broadband Plans for Five Area Telephone Cooperative, Inc. and West Plains Telecommunications, Inc. as both ETCs serve subscribers in the same Study Area Code. Five Area and West Plains service areas include portions of Bailey, Castro, Cochran, Hockley, Lamb, Parmer and Sudan counties. Five Area owns and operates 6 exchanges and West Plains owns and operates 5 exchanges in West Texas.

Table 1, 5 Year Projection Plan will continue to add more infrastructure facilities throughout the service area in the exchanges Earth, Olton and Lariat as outlined on the Five Year Projection Plan. Table 2, Ten Year Projection Plan shows the current and future construction plans to place cable and fiber for Broadband service in rural communities that Five Area and West Plains serves in the exchanges of Earth, Olton, Springlake, Lariat, Bula, Maple, and Lehman.

Tables 1 and 2 show by exchange the construction timelines and the cost of investments for improving Broadband services to reach communities located in the exchanges that Five Area and West Plain serve. These service quality improvements are expected to provide subscribers that do not already receive 4:1 broadband-capable service the ability to receive speeds of 4:1 or greater, while also improving speeds for existing broadband-capable subscribers.

## FIVE YEAR PROJECTION

### 2014 EARTH

DROP CONSTRUCTION  
MAINLINE CONSTRUCTION  
ELECTRONICS  
TOTAL

Totals

30-Jun

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT

31-Dec

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT  
TOTAL RETIREMENT

### 2015 EARTH

DROP CONSTRUCTION  
MAINLINE CONSTRUCTION  
ELECTRONICS  
TOTAL

30-Jun

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT

31-Dec

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT  
TOTAL RETIREMENT

### 2016 EARTH

DROP CONSTRUCTION  
MAINLINE CONSTRUCTION  
ELECTRONICS  
TOTAL

30-Jun

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT

31-Dec

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT  
TOTAL RETIREMENT

### 2017 OLTON

DROP CONSTRUCTION  
MAINLINE CONSTRUCTION  
ELECTRONICS  
TOTAL

30-Jun

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT

31-Dec

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT  
TOTAL RETIREMENT

**2018 LARIAT**

MAINLINE CONSTRUCTION  
ELECTRONICS  
TOTAL

[REDACTED]

***30-Jun***

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT

[REDACTED]

***31-Dec***

UNDERCONSTR  
INSERVICE  
TOTAL  
RETIREMENT  
TOTAL RETIREMENT

[REDACTED]

**FIVE YEAR TOTALS**

DROP CONSTRUCTION TOTAL  
MAINLINE CONSTRUCTION TOTAL  
ELECTRONICS TOTAL  
OVERALL TOTAL  
RETIREMENT TOTAL



# TEN YEAR PROJECTION

<b>TOTALS</b>					
<b>WPT-2014 EARTH</b>	<b>FTTP</b>				
DROP CONSTRUCTION					
MAINLINE CONSTRUCTION					
ELECTRONICS					
TOTAL					
		<b>30-Jun</b>	<b>31-Dec</b>		
		UNDERCONSTRUCTION	UNDERCONSTRUCTION		
		INSERVICE	INSERVICE		
		TOTAL	TOTAL		
		RETIREMENT	RETIREMENT		
			TOTAL RETIREMENT		
<b>WPI-2015 EARTH</b>	<b>FTTP</b>				
DROP CONSTRUCTION					
MAINLINE CONSTRUCTION					
ELECTRONICS					
TOTAL					
		<b>30-Jun</b>	<b>31-Dec</b>		
		UNDERCONSTRUCTION	UNDERCONSTRUCTION		
		INSERVICE	INSERVICE		
		TOTAL	TOTAL		
		RETIREMENT	RETIREMENT		
			TOTAL RETIREMENT		
<b>WPT-2016 EARTH</b>	<b>FTTP</b>				
DROP CONSTRUCTION					
MAINLINE CONSTRUCTION					
ELECTRONICS					
TOTAL					
		<b>30-Jun</b>	<b>31-Dec</b>		
		UNDERCONSTRUCTION	UNDERCONSTRUCTION		
		INSERVICE	INSERVICE		
		TOTAL	TOTAL		
		RETIREMENT	RETIREMENT		
			TOTAL RETIREMENT		
<b>WPI-2017 OLION</b>	<b>FTT NODE</b>				
DROP CONSTRUCTION					
MAINLINE CONSTRUCTION					
ELECTRONICS					
TOTAL					
		<b>30-Jun</b>	<b>31-Dec</b>		
		UNDERCONSTRUCTION	UNDERCONSTRUCTION		
		INSERVICE	INSERVICE		
		TOTAL	TOTAL		
		RETIREMENT	RETIREMENT		
			TOTAL RETIREMENT		
<b>WPI-2018 SPRINGLIKE</b>	<b>FTTP</b>				
MAINLINE CONSTRUCTION					
ELECTRONICS					
TOTAL					
		<b>30-Jun</b>	<b>31-Dec</b>		
		UNDERCONSTRUCTION	UNDERCONSTRUCTION		
		INSERVICE	INSERVICE		
		TOTAL	TOTAL		
		RETIREMENT	RETIREMENT		
			TOTAL RETIREMENT		
<b>FATC-2019 LARIAI</b>	<b>FTT NODE</b>				
MAINLINE CONSTRUCTION					
ELECTRONICS					
TOTAL					
		<b>30-Jun</b>	<b>31-Dec</b>		
		UNDERCONSTRUCTION	UNDERCONSTRUCTION		
		INSERVICE	INSERVICE		
		TOTAL	TOTAL		
		RETIREMENT	RETIREMENT		
			TOTAL RETIREMENT		



<b>FATC-2020 NDMIR</b>		<b>FIT NODE</b>	<b>30-Jun</b>	<b>31-Dec</b>
MAINLINE CONSTRUCTION			UNDERCONSTRUCTION	UNDERCONSTRUCTION
ELECTRONICS			INSERVICE	INSERVICE
TOTAL			TOTAL	TOTAL
			RETIREMENT	RETIREMENT
				TOTAL RETIREMENT
<b>FATC-2021 BULA</b>		<b>FIT NODE</b>	<b>30-Jun</b>	<b>31-Dec</b>
MAINLINE CONSTRUCTION			UNDERCONSTRUCTION	UNDERCONSTRUCTION
ELECTRONICS			INSERVICE	INSERVICE
TOTAL			TOTAL	TOTAL
			RETIREMENT	RETIREMENT
				TOTAL RETIREMENT
<b>FATC-2022 MAPLE</b>		<b>FIT NODE</b>	<b>30-Jun</b>	<b>31-Dec</b>
MAINLINE CONSTRUCTION			UNDERCONSTRUCTION	UNDERCONSTRUCTION
ELECTRONICS			INSERVICE	INSERVICE
TOTAL			TOTAL	TOTAL
			RETIREMENT	RETIREMENT
				TOTAL RETIREMENT
<b>FATC-2023 LEHMAN</b>		<b>FIT NODE</b>	<b>30-Jun</b>	<b>31-Dec</b>
MAINLINE CONSTRUCTION			UNDERCONSTRUCTION	UNDERCONSTRUCTION
ELECTRONICS			INSERVICE	INSERVICE
TOTAL			TOTAL	TOTAL
			RETIREMENT	RETIREMENT
				TOTAL RETIREMENT
<b>WPT-2024 OLTON</b>		<b>FTTP</b>	<b>30-Jun</b>	<b>31-Dec</b>
DROP CONSTRUCTION			UNDERCONSTRUCTION	UNDERCONSTRUCTION
MAINLINE CONSTRUCTION			INSERVICE	INSERVICE
ELECTRONICS			TOTAL	TOTAL
TOTAL			RETIREMENT	RETIREMENT
				TOTAL RETIREMENT

<b>FIVE YEAR TOTALS</b>	
DROP CONSTRUCTION TOTAL	
MAINLINE CONSTRUCTION TOTAL	
ELECTRONICS TOTAL	
OVERALL TOTAL	
RETIREMENT TOTAL	

## **LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE**

Five Area Telephone Cooperative, Inc. complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

Service quality standards for voice service are established by the state commission. The Cooperative consistently meets or exceeds those standards and provides reports to the state commission, in accordance with the state commission's rules.

The Cooperative complies with any and all consumer protection obligations under state law.

The Cooperative also complies with the following consumer best practices: (1) the Cooperative discloses its rates and terms of service to customers; (2) the Cooperative provides specific disclosures in its advertising; (3) the Cooperative separately identifies carrier charges from taxes on its billing statements; (4) the Cooperative provides ready access to customer service; (5) the Cooperative promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Cooperative abides by policies for protection of consumer privacy.

Finally, the Cooperative has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Cooperative's compliance with CPNI rules and a description of the Cooperative's operating procedures that ensure compliance are filed annually with the FCC.

## **ATTACHMENT B**

### **LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS**

Five Area Telephone Cooperative, Inc. is able to function in emergency situations for both voice and broadband service. The Cooperative has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Cooperative is able to reroute traffic around damaged facilities. Although the Cooperative's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

## LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$46.96, which includes the federal subscriber line charge ("SLC").<sup>1</sup>

In the exchanges served by Five Area Telephone Cooperative, Inc. ("the Cooperative"), the highest single-line residential local rate, including any mandatory extended area service charge, is \$17.10. When the federal SLC (\$6.50) and the state universal service fee (\$.63) are included, the rate becomes \$24.23. Therefore, the Cooperative's pricing of fixed voice services is less than the reasonable comparability benchmark of \$46.96.

---

<sup>1</sup> *Wireline Competition Bureau Announces Results of Urban Rate Survey for Voice Services; Seeks Comment on Petition for Extension of Time to Comply With New Rate Floor*, WC Docket No. 10-90, DA 14-384 (rel. Mar. 20, 2014), p. 2.



## LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Five Area Telephone Cooperative, Inc. (the Cooperative) offers Lifeline subscribers federal and state Lifeline discounts to a stand-alone residential local exchange access line rate of \$16.60 or \$17.10 and a Subscriber Line Charge of \$6.50. The local exchange access line rate includes an unlimited amount of local calling minutes within the local exchange calling scope and Tone Dialing Service. Additional charges for toll calls associated with the stand-alone residential access line are billed at the rates of the long distance carrier chosen by the subscriber. There are no additional voice telephony plans offered although a Lifeline customer may subscribe to other services such as custom calling features at the standard rates offered to all customers. Attached are pages from the Cooperative's Local Exchange Tariff describing terms and conditions. The Cooperative's website also provides residential customers an information page that lists Lifeline discounts and rates located at: <http://www.fivearea.com/LIFELINE%20SERVICE%20PROGRAM.pdf>.

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

II. LOCAL EXCHANGE SERVICE RATES

A. Monthly Local Exchange Service Rates

<u>EAS Exchange(s)</u>	<u>Rot. Bus. Acc.</u>	<u>Res. Acc.</u>	<u>Key Acc.</u>	<u>PBX Acc.</u>	
<b>Bula</b> (806-933)	\$33.25	\$17.10	\$48.50	\$50.80	
Littlefield (806-385)					
Maple (806-927)					
Needmore (806-946)					N
Sudan (806-227)					N
<b>Lariat</b> (806-925)	32.25	16.60	47.00	50.40	
Lazbuddie (806-965)					
Muleshoe (806-272)					
<b>Lazbuddie</b> (806-965)	32.25	16.60	47.00	50.40	
Earth (806-257)					T
Lariat (806-925)					
Muleshoe (806-272)					
<b>Lehman</b> (806-525)	32.25	16.60	47.00	50.40	
Morton (806-266)					
Maple (806-927)					
<b>Maple</b> (806-927)	32.25	16.60	47.00	50.40	
Morton (806-266)					
Lehman (806-525)					
Needmore (806-946)					
Bula (806-933)					
<b>Needmore</b> (806-946)	32.25	16.60	47.00	50.40	
Muleshoe (806-272)					
Maple (806-927)					
Bula (806-933)					N
Sudan (806-227)					N

By: Sandy Vandevender Effective: April 2, 2012  
Title: Executive Vice President and General Manager

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM

The Lifeline Program is a retail local service offering designed to make telephone service available at reduced rates to qualifying low-income customers.

A. General

1. A qualifying low-income customer subscribing to the Lifeline Program shall receive federal and state reductions to their monthly tariffed residential local exchange access line rate.

2. Nothing in this section shall prohibit a customer who is otherwise eligible for the Lifeline Program from obtaining and using telecommunications equipment and services designed to aid such customer in utilizing qualifying telecommunications services.

3. Lifeline Program reductions do not apply to surcharges, taxes, long distance service, 976 and other information related telecommunications services, and optional services such as custom calling features. Customers may obtain these services, where available, at their discretion.

4. The Lifeline Program rate reductions do not apply to service connection charges.

By: Sandy Vandevender Effective: April 2, 2012  
Title: Executive Vice President and General Manager

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MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

A. General (Continued)

5. The Cooperative may not disconnect the service of a Lifeline Program customer for non-payment of toll charges. However, the Cooperative reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills. The Cooperative will inform the customer, by direct mail, of this change to their service due to the customer's non-payment of toll charges. Upon the customer's payment of all outstanding toll charges, the Cooperative shall remove mandatory toll blocking at no charge. T

6. Upon subscribing to the Lifeline Program, a customer will be offered a subscription, at no charge, to toll blocking service (in exchanges where technically available) which denies the customer access to the long distance telecommunications network; however, the customer is under no obligation to accept the subscription to toll blocking. T

7. The Lifeline Program rate reductions will not be available on a retroactive basis unless approved by the Public Utility Commission of Texas or the Low-Income Discount Administrator (LIDA). T

B. Designated Lifeline Program Services

The Cooperative shall offer voice telephony services that provide the following functionalities as designated Lifeline Program services: T

1. Voice grade access to the public switched network or its functional equivalent
  2. Minutes of use for local service provided at no additional charge to the customer
  3. Access to emergency services
  4. Toll blocking service
- T

By: Sandy Vandevender Effective: April 2, 2012  
Title: Executive Vice President and General Manager

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement

1. Qualifying (Eligible) Customer Criteria

An eligible customer shall be defined as an individual whose annual household income is at or below 150% of the federal poverty guidelines or in whose household resides a person who receives or has a child who receives benefits from at least one of the following programs:

- a. Medicaid
- b. Food Stamps (Supplemental Nutrition Assistance Program)
- c. Supplemental Security Income (SSI)
- d. Federal Public Housing Assistance (FPHA)
- e. Low-Income Heat and Energy Assistance Program (LIHEAP)
- f. Health benefits coverage under the state Children's Health Insurance Program (CHIP)
- g. National School Lunch Program's Free Lunch Program
- h. Temporary Assistance for Needy Families

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N  
N

The Lifeline Program rate reductions will be provided to each customer. The Low-Income Discount Administrator (LIDA) will provide a list of eligible customers to the Cooperative each month.

2. Obligations of the Customer

a. Customers whose annual household income is at or below 150% of the federal poverty guidelines or who participate in FPHA or LIHEAP programs may self-enroll for Lifeline Program benefits by completing an application form and returning it to LIDA. LIDA will send a blank application upon customer request. LIDA can be reached at 1-866-4LITEUP. Current customers receiving benefits under Medicaid, Food Stamps, SSI or CHIP will be subject to the Lifeline Program automatic enrollment procedures as provided by the LIDA unless they provide a written request to the LIDA to be excluded from the Lifeline Program.

b. A customer who is eligible for the Lifeline Program but does not have telephone service at the time the LIDA provides its eligibility list to the Cooperative, shall be responsible for initiating a request for the Lifeline Program from the Cooperative.

By: Sandy Vandevender

Effective: June 1, 2012

Title: Executive Vice President and General Manager



MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement (Continued)

3. Obligations of the Cooperative

a. LIDA will provide a list of eligible customers to the Cooperative on a monthly basis. Upon receipt of the list, the Cooperative shall begin reduced billing for those customers within 30 days.

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4. Discontinuance of Service

a. Discontinuance of Lifeline Discounts for customers automatically enrolled: The eligibility period for automatically enrolled customers is the length of their enrollment in Texas Health and Human Services Commission (THHSC) benefits plus a period of 60 days for renewal. Automatically enrolled customers will have an opportunity to renew their THHSC benefits or self-enrollment with LIDA upon the expiration of their automatic enrollment.

By: Sandy Vandevender  
Title: Executive Vice President and General Manager

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement (Continued)

4. Discontinuance of Service (Continued)

b. Discontinuance of Lifeline Discounts for customers who have self-enrolled: Individuals not receiving benefits through THHSC programs, but who have met Lifeline income qualifications, are eligible to receive the Lifeline Discount for seven months, which includes a period of 60 days during which the customer may renew their eligibility with LIDA for an additional seven months. T

D. Deposit and Credit Requirements

1. The Cooperative shall be prohibited from charging a service deposit in order to initiate the Lifeline Program if the eligible customer voluntarily elects to receive toll blocking.

2. The Cooperative may charge a service deposit if the eligible customer denies subscription to toll blocking upon subscribing to the Lifeline Program.

3. In instances where the Cooperative may require a service deposit, the same credit verification procedures and deposit regulations used for all applicants who apply for service with the Cooperative are also applicable to eligible customers for the Lifeline Program.

By: Sandy Vandevender  
Title: Executive Vice President and General Manager

FIVE AREA TELEPHONE COOPERATIVE, INC.  
MULESHOE, TEXAS

SECTION 4  
2nd Revised Page 12  
Replacing 1st Revised Page 12

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

E. Service Connection Charges

1. Service connection charges do not apply to eligible customers with existing, qualifying service converting to the Lifeline Program.

2. Service connection charges do apply when:

a. Existing eligible customers request additional non-qualifying services at the time Lifeline Program reduced billing is initiated.

b. New customers (those without existing local exchange access service) eligible for the Lifeline Program establish service.

c. Customers make subsequent moves or changes after initial connection to the Lifeline Program.

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By: Sandy Vandevender Effective: April 2, 2012  
Title: Executive Vice President and General Manager

FIVE AREA TELEPHONE COOPERATIVE, INC.  
MULESHOE, TEXAS

SECTION 4  
2nd Revised Page 13  
Replacing 1st Revised Page 13

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

F. Lifeline Program Rate Reduction

1. Implementation

The Cooperative shall provide reduced billing to all Lifeline Program eligible customers within its service area in accordance with the Commission's Substantive Rule.

In instances where a customer inquires about participation in the Lifeline Program, the Cooperative shall provide contact information for LIDA.

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By: Sandy Vandevender  
Title: Executive Vice President and General Manager



FIVE AREA TELEPHONE COOPERATIVE, INC.  
MULESHOE, TEXAS

SECTION 4  
5th Revised Page 14  
Replacing 4th Revised Page 14

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

F. Lifeline Program Rate Reduction (Continued)

2. Amounts

The Cooperative shall apply Lifeline Program rate reductions, per eligible customer, as described below.

	<u>Monthly Rate Reduction</u>
a. Federal Reduction Applied to Federal Subscriber Line Charge and Residential Local Exchange Access Line Charge	47.C.F.R. Section 54.403
b. Maximum State Reduction to Residential Local Exchange Access Line Rate	\$3.50

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By: Sandy Vandevender  
Title: Executive Vice President and General Manager

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

**FAX: (806) 747-3815**

**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

**Independent Auditor's Report**

Board of Directors  
Five Area Telephone Cooperative, Inc. and Subsidiaries  
Muleshoe, Texas

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Five Area Telephone Cooperative, Inc. and Subsidiaries (the Cooperative), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of income and patronage capital, comprehensive income and cash flows for the years then ended, and the related notes to the consolidated financial statements.

***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Cooperative's preparation and fair presentation to the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion



-2-

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Consolidating and Accompanying Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information consisting of balance sheets, statements of income (loss) and patronage capital, comprehensive income (loss) and statements of cash flows for the years ended December 31, 2013 and 2012 is shown on pages 27 through 34. The accompanying schedules of telecommunications plant, accumulated provision for depreciation and amortization, and patronage capital is shown on pages 35 through 37. The consolidating and accompanying information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidating financial statements. The consolidating and accompanying information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating and accompanying information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

April 2, 2014

-3-

FIVE AREA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARIES

Exhibit A

CONSOLIDATED BALANCE SHEET  
DECEMBER 31, 2013 AND 2012

ASSETS

	December 31,	
	2013	2012
<b>CURRENT ASSETS</b>		
Cash and Working Funds		
Temporary Cash Investments		
Telecommunications Accounts Receivable (Less provision for uncollectibles of \$5,111 in 2013 and \$5,825 in 2012)		
Other Accounts Receivable (Less provision for uncollectibles of \$3,383 in 2013 and \$3,383 in 2012)		
Interest Receivable		
Materials		
Prepayments		
Prepaid Income Taxes		
Net Current Deferred Income Taxes		
<b>OTHER NONCURRENT ASSETS</b>		
Investments in and Advances to Affiliated Companies		
Unamortized Goodwill		
Investments in Associated Organizations		
Noncurrent Cash Investments		
Cash Surrender Value of Life Insurance		
Deferred Charges		
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Telecommunications Plant in Service		
Other Property, Plant, and Equipment		
Plant Under Construction		
Non-Operating Plant		
Less: Accumulated Provision for Depreciation and Amortization		
<b>TOTAL ASSETS</b>		
<b>LIABILITIES AND EQUITIES</b>		
<b>CURRENT LIABILITIES</b>		
Current Maturities - Long-Term Debt		
Accounts Payable		
Advance Billing and Payments		
Customer Deposits		
Income Tax Payable		
Accrued Taxes		
Accrued Compensated Absences		
Other Current and Accrued Liabilities		
<b>LONG-TERM DEBT</b>		
RUS Mortgage Notes Less Current Maturities		
<b>OTHER NONCURRENT LIABILITIES AND DEFERRED CREDITS</b>		
Post-retirement Benefits Obligation Other Than Pensions		
Other Deferred Credits		
Supplemental Retirement Plan Liability		
Net Noncurrent Deferred Income Taxes		
<b>EQUITIES</b>		
Patronage Capital		
Other Equities		
Accumulated Other Comprehensive Loss		
<b>TOTAL LIABILITIES AND EQUITIES</b>		

See accompanying notes to the consolidated financial statements.

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FIVE AREA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARIES

Exhibit B

CONSOLIDATED STATEMENT OF INCOME AND PATRONAGE CAPITAL  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	December 31,	
	2013	2012
OPERATING REVENUES		
Local Network Services		
Interstate Network Access Services		
Intrastate Access Revenue		
Federal and State Universal Service Support		
Long Distance Network Services		
Carrier Billing and Collection Services		
Miscellaneous		
Uncollectible Revenue		
OPERATING EXPENSES		
Plant Specific Operations		
Plant Nonspecific Operations		
Depreciation and Amortization Expense		
Customer Operations		
Corporate Operations		
Operating Losses		
Operating Taxes		
NET OPERATING INCOME BEFORE FIXED CHARGES		
FIXED CHARGES		
Interest on Long-Term Debt		
Allowance for Funds Used During Construction		
NET OPERATING INCOME		
NON-OPERATING INCOME (EXPENSE)		
Interest and Dividends		
Affiliated Company		
Other Expense		
NET INCOME BEFORE INCOME TAXES		
INCOME TAX EXPENSE		
NET INCOME		
Patronage Capital Retired		
Transfer Subsidiary Income and Losses to Other Equities		
NET CHANGE IN PATRONAGE CAPITAL		
PATRONAGE CAPITAL - BEGINNING OF YEAR		
PATRONAGE CAPITAL - END OF YEAR		

See accompanying notes to the consolidated financial statements.

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**FIVE AREA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARIES**

**Exhibit C**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	December 31,	
	2013	2012
NET INCOME		
OTHER COMPREHENSIVE INCOME (LOSS)		
Unamortized Accumulated Post-retirement Benefit		
Obligation Other than Pensions		
Reclassification Adjustment for Amortization		
COMPREHENSIVE INCOME		

See accompanying notes to the consolidated financial statements.

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**FIVE AREA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARIES**

**Exhibit D**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	December 31,	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Exhibit B)		
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and Amortization		
APBO Net Periodic Cost		
Income from Affiliated Company		
Accounts Receivable		
Deferred Income Taxes		
Capital Credits - Noncash		
Cash Surrender Value of Life Insurance Policy		
Deferred Charges		
Deferred Credits		
Other Noncurrent Liabilities		
Inventories and Other Current Assets		
Accrued Income Taxes		
Payables and Accrued Expenses		
Net Cash from Operating Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to Telecommunications Plant		
Additions to Other Property, Plant and Equipment		
Salvage Value of Retirements and Other Credits		
Plant Removal Costs		
Net Change in Noncurrent Cash Investments		
Distributions from Affiliated Company		
Distributions from Associated Organizations		
Net Cash from Investing Activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Long-Term Debt to RUS		
Net Change in RUS Cushion of Credit		
APBO Premium Payments		
Retirement of Patronage Capital		
Net Cash from Financing Activities		
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>		
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>		
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for:		
Interest		
Income Taxes		
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		

See accompanying notes to the consolidated financial statements.